



Commercial TRENDS Boston



ANNUAL REPORT 1999

DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT • RESEARCH & DEVELOPMENT UNIT • CITY OF BOSTON • THOMAS M. MENINO, MAYOR

Welcome to Trends

Welcome to the first issue of "Commercial Trends Boston, (CTB)" a newsletter focusing on the purchase and renting of commercial real estate. CTB is published by the Department of Neighborhood Development's Research & Development (R&D) unit. Data is derived from our databases, Boston Main Streets managers, Office of Business Development staff, and local real estate agents. The data presented is also from Banker & Tradesman, American Business Information, and research publications of major urban real estate companies. CTB will appear semi-annually. During the interim, the R&D unit is available to answer your questions and conduct more specialized research.

Boston Main Streets Rents

Boston Main Streets Rents
(Dollars / Square Foot)
October - December 1999

Boston Main Streets District*	RETAIL Current Range	OFFICE Current Range
Bowdoin/Geneva	\$7 to \$12	n/a
Uphams- Columbia Road	\$16 to \$20	\$8 to \$10
Uphams - Hancock/Dudley	\$8 - \$15	n/a
Brighton Center	\$8 - \$17	\$16
Allston Village	\$18	n/a
Field's Corner	\$18 - \$25	\$8 to \$12
Four Corners	\$5 - \$15	n/a
Grove Hall	\$9 - \$16	\$7 to \$12
Mission Hill	\$15 - \$25	n/a
Cleary Square	\$12 - \$18	n/a
Hyde/Jackson	\$15 - \$18	n/a

* note: other districts not available

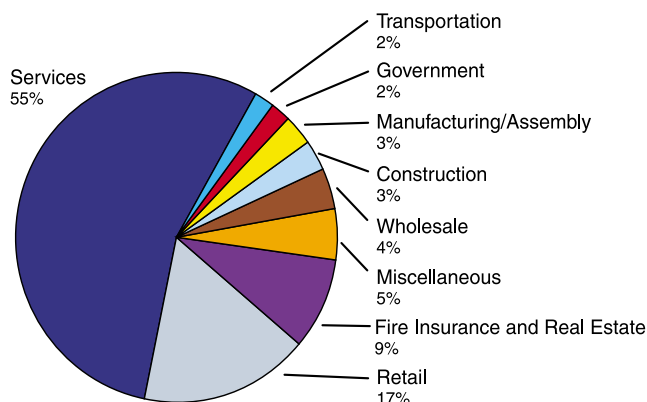
Source: Boston Main Streets and Office of Business Development

- Retail rental rates above are *triple-net*. This means that the merchant is responsible for all operating expenses, taxes, and maintenance.
- Retail merchants usually pay for all build-out costs.
- Office space rents are *gross*, which means that landlords include in the asking price both build-out and utilities.

Send Us Your Data

The R&D Unit is interested in your rental data. Help us stay current. Our goal is to include all Boston Main Streets and commercial districts. We'd like to narrow the ranges presented here so businesses have the most accurate rent information. Call Keith Kuzmin at 635-0340 or send a fax: 635-0262 or email: kkuzmin.dnd@ci.boston.ma.us

Boston Businesses by Sector 31,948 Businesses Total



Source: American Business Information

Commercial Rents: First Half 1999

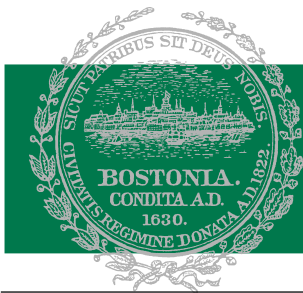
In addition to Boston Main Streets district rent, businesses are interested in rates across the city. Rental rates reflect advertised rates by building owners.

Commercial Rents January - June 1999

Neighborhood	Retail Range	Reported High	Office Range	Reported High
Allston/Brighton	\$14 to \$16	\$19	\$14 to \$15	\$25
Back Bay/Beacon Hill	N/A	N/A	\$39 to \$43	\$43
Central	N/A	N/A	\$40 to \$50	\$60
Charlestown	\$15 to \$20	\$22	\$14 to \$16	\$25
Dorchester	\$10 to \$18	\$25	\$10 to \$12	\$15
East Boston	\$10 to \$15	\$15	\$9 to \$13	\$17
Fenway/ Kenmore	N/A	N/A	N/A	N/A
Hyde Park	\$9 to \$12	\$18	\$8 to \$10	\$10
Jamaica Plain	\$18 to \$21	\$22	\$10 to \$15	\$15
Mattapan	\$9 to \$11	\$11	\$8 to \$9	\$9
Roslindale	\$10 to \$13	\$13	\$8 to \$10	\$10
Roxbury	\$8 to \$13	\$20	\$9 to \$12	\$13
South Boston*	\$13 to \$18	\$19	\$12 to \$17	\$18
Fort Point Channel	N/A	N/A	\$32 to \$36	\$39
South Station	N/A	N/A	\$31 to \$35	\$39
South End	\$16 to \$20	\$23	\$15 to \$20	\$31
West Roxbury	\$15 to \$20	\$21	\$10 to \$13	\$15

* excluding Fort Point Channel and South Station

Source: Boston Assessing Department, Cushman & Wakefield



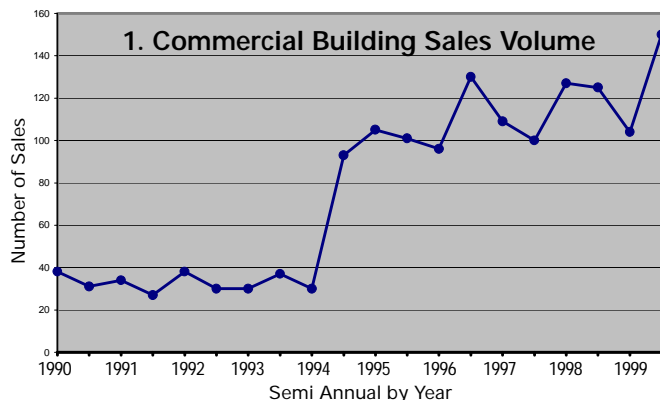
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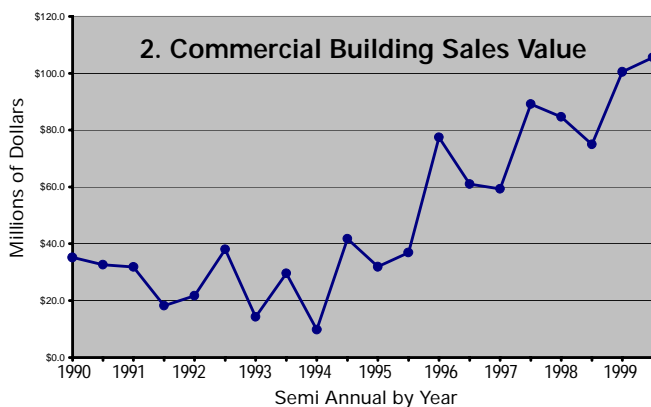
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Boston Commercial Property Sales Soar

Boston's commercial property sales have surged since 1995, the year the economy overcame the impact of the recession and banking crisis.

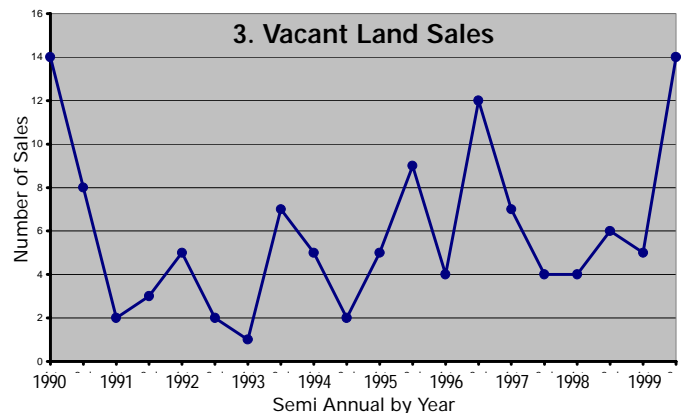


Sales in 1999 sustain 1998's pace (254 vs 252 buildings). 74.6% of commercial building sales occur in Boston's neighborhoods (e.g., Allston/Brighton, Charlestown, Dorchester, East Boston, Hyde Park, Jamaica Plain, Mattapan, Roslindale, Roxbury, South Boston, West Roxbury).



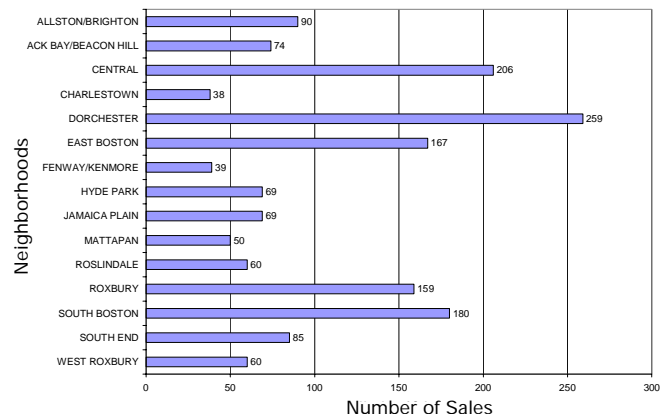
The value of 1999 sales (\$206.4 million) surpasses 1998 sales (\$159.6 million) by \$46.8 million, a 29.3% increase. In 1999, 54% (\$111.6 million) of the value of commercial sales is in Boston's neighborhoods. The remaining \$94.8 million in sales occur in the downtown planning districts (e.g., Central, Fenway/Kenmore, Back Bay/Beacon Hill, South End).

3. Vacant Land Sales



The 19 commercial land sales in 1999 are valued at \$16.1 million. The total area sold in 1999 (211,983 s.f.) has an average price of \$76/s.f. Many remaining vacant land parcels have less desirable locations with more complex transportation issues and some degree of environmental contamination.

Commercial Sales (Buildings & Land) 1990-1999



Since 1990, Dorchester has recorded the most sales (259), followed by Central (206), South Boston (180), and East Boston (165). Compared to 1998, the Fenway has seen the most sales growth, with a 133.3% increase in 1999. However, the total number of transactions is small, with 3 sold in 1998 and 7 in 1999. The second highest sales growth rate is in East Boston. There were 18 transactions in 1998, eclipsed in 1999 by 32 transactions, a 77.8% increase. Other neighborhoods showing notable 1999 sales increases over 1998 include Back Bay/Beacon Hill (37.5%), Roxbury (21%), and South Boston (15.4%). In 1999, commercial sales fell off from the previous year in Roslindale (-41.7%), Allston/Brighton (-40.0%), Dorchester (-23.5%), and West Roxbury (-20.0%).



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Neighborhood Roundup

Compared to the residential real estate market, there are fewer annual commercial sales (including building used for office, retail, wholesale, manufacturing, services, and eating and drinking). Thus, sales data by neighborhood varies dramatically. With this in mind, the Neighborhood Roundup provides commercial building sales data on a semi-annual basis. Key data points include: median sales price, highest sales price, total sales revenue, and total number of sales.

Allston/Brighton

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$482,000	\$1,300,000	\$1,100,000	\$535,000
Highest	\$2,200,000	\$2,600,000	\$4,250,000	\$1,050,000
Total Revenue	\$7,133,526	\$10,795,900	\$9,819,500	\$3,165,000
Total Sales	10	9	7	5

Charlestown

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$351,000	\$323,500	\$140,000	\$232,500
Highest	\$550,000	\$480,000	\$140,000	\$450,000
Total Revenue	\$550,000	\$1,327,000	\$140,000	\$980,000
Total Sales	2	4	1	4

Dorchester

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$180,000	\$165,000	\$210,400	\$300,000
Highest	\$1,250,000	\$1,050,000	\$600,000	\$1,076,000
Total Revenue	\$6,746,750	\$6,952,650	\$3,368,100	\$8,612,500
Total Sales	23	27	14	23

East Boston

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$122,500	\$129,000	\$110,500	\$210,000
Highest	\$335,000	\$213,000	\$51,200,000	\$800,000
Total Revenue	\$1,126,000	\$1,249,500	\$6,980,000	\$4,713,602
Total Sales	8	10	13	19

Hyde Park

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$150,000	\$250,000	\$210,000	\$176,942
Highest	\$835,000	\$5,380,000	\$430,000	\$1,389,263
Total Revenue	\$2,082,500	\$6,919,000	\$990,000	\$2,220,150
Total Sales	8	5	4	6

Jamaica Plain

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$203,000	\$154,000	\$172,500	\$262,500
Highest	\$1,300,000	\$269,000	\$362,000	\$355,000
Total Revenue	\$2,368,000	\$838,000	\$1,376,000	\$1,066,012
Total Sales	7	5	7	4

Mattapan

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$180,000	\$135,000	\$66,500	\$230,000
Highest		\$150,000	\$490,000	
Total Revenue		\$270,000	\$536,541	
Total Sales	1	2	3	1

Roslindale

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$200,000	\$165,000	\$151,500	\$260,000
Highest	\$530,000	\$284,400	\$185,000	\$825,000
Total Revenue	\$1,454,760	\$869,400	\$503,000	\$1,177,000
Total Sales	7	5	4	3

Roxbury

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$100,000	\$160,000	\$300,000	\$125,000
Highest	\$1,000,000	\$820,000	\$7,406,614	\$340,000
Total Revenue	\$1,435,300	\$3,187,637	\$10,210,089	\$1,356,313
Total Sales	6	11	12	8

South Boston

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$277,500	\$275,000	\$225,000	\$342,000
Highest	\$620,000	\$485,000	\$875,000	\$24,300,000
Total Revenue	\$3,494,329	\$3,174,890	\$3,197,500	\$47,556,000
Total Sales	12	12	11	17

West Roxbury

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Median Price	\$160,000	\$390,000	\$475,000	\$145,000
Highest	\$325,000	\$890,000	\$3,625,000	\$496,500
Total Revenue	\$675,000	\$2,607,750	\$4,810,000	\$726,500
Total Sales	4	6	4	3

TOTALS

	98 1st Half	98 2nd Half	99 1st Half	99 2nd Half
Total Revenue	\$27,066,165	\$38,191,727	\$41,930,730	\$71,797,077
Total Sales	88	96	80	93

Source: Banker & Tradesman



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